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# HOUSE BILL No. 1343

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 27-8-5; IC 27-13-7-3.

**Synopsis:** Health insurance coverage for children under age 24. Specifies that children less than 24 years of age must be covered under a policyholder's, certificate holder's, or subscriber's health plan upon request.

**Effective:** July 1, 2008.

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### Ripley

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January 15, 2008, read first time and referred to Committee on Insurance.

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Introduced

Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

## HOUSE BILL No. 1343

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 27-8-5-2, AS AMENDED BY P.L.218-2007,  
2       SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3       JULY 1, 2008]: Sec. 2. (a) No individual policy of accident and  
4       sickness insurance shall be delivered or issued for delivery to any  
5       person in this state unless it complies with each of the following:

6               (1) The entire money and other considerations for the policy are  
7               expressed in the policy.

8               (2) The time at which the insurance takes effect and terminates is  
9               expressed in the policy.

10              (3) The policy purports to insure only one (1) person, except that  
11              a policy must insure, originally or by subsequent amendment,  
12              upon the application of any member of a family who shall be  
13              deemed the policyholder and who is at least eighteen (18) years  
14              of age, any two (2) or more eligible members of that family,  
15              including:

16                      (A) husband;

17                      (B) wife;



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(C) dependent children; or

(D) any:

(i) biological children;

(ii) stepchildren;

(iii) adopted children;

(iv) individuals of whom the policyholder or the policyholder's spouse had legal guardianship on the date the individual became eighteen (18) years of age;

who are less than twenty-four (24) years of age regardless of whether an individual specified in items (i) through (iv) is dependent upon the policyholder; and

(E) any other person dependent upon the policyholder.

(4) The style, arrangement, and overall appearance of the policy give no undue prominence to any portion of the text, and unless every printed portion of the text of the policy and of any endorsements or attached papers is plainly printed in lightface type of a style in general use, the size of which shall be uniform and not less than ten point with a lower-case unspaced alphabet length not less than one hundred and twenty point (the "text" shall include all printed matter except the name and address of the insurer, name or title of the policy, the brief description if any, and captions and subcaptions).

(5) The exceptions and reductions of indemnity are set forth in the policy and, except those which are set forth in section 3 of this chapter, are printed, at the insurer's option, either included with the benefit provision to which they apply, or under an appropriate caption such as "EXCEPTIONS", or "EXCEPTIONS AND REDUCTIONS", provided that if an exception or reduction specifically applies only to a particular benefit of the policy, a statement of such exception or reduction shall be included with the benefit provision to which it applies.

(6) Each such form of the policy, including riders and endorsements, shall be identified by a form number in the lower left-hand corner of the first page of the policy.

(7) The policy contains no provision purporting to make any portion of the charter, rules, constitution, or bylaws of the insurer a part of the policy unless such portion is set forth in full in the policy, except in the case of the incorporation of or reference to a statement of rates or classification of risks, or short-rate table filed with the commissioner.

(8) If an individual accident and sickness insurance policy or hospital service plan contract or medical service plan contract

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provides that hospital or medical expense coverage of a dependent child terminates upon attainment of the limiting age for dependent children specified in such policy or contract, the policy or contract must also provide that attainment of such limiting age does not operate to terminate the hospital and medical coverage of such child while the child is and continues to be both:

(A) incapable of self-sustaining employment by reason of mental retardation or mental or physical disability; and

(B) chiefly dependent upon the policyholder for support and maintenance.

Proof of such incapacity and dependency must be furnished to the insurer by the policyholder within thirty-one (31) days of the child's attainment of the limiting age. The insurer may require at reasonable intervals during the two (2) years following the child's attainment of the limiting age subsequent proof of the child's disability and dependency. After such two (2) year period, the insurer may require subsequent proof not more than once each year. The foregoing provision shall not require an insurer to insure a dependent who is a child who has mental retardation or a mental or physical disability where such dependent does not satisfy the conditions of the policy provisions as may be stated in the policy or contract required for coverage thereunder to take effect. In any such case, the terms of the policy or contract shall apply with regard to the coverage or exclusion from coverage of such dependent. This subsection applies only to policies or contracts delivered or issued for delivery in this state more than one hundred twenty (120) days after August 18, 1969.

(b) If any policy is issued by an insurer domiciled in this state for delivery to a person residing in another state, and if the official having responsibility for the administration of the insurance laws of such other state shall have advised the commissioner that any such policy is not subject to approval or disapproval by such official, the commissioner may by ruling require that such policy meet the standards set forth in subsection (a) and in section 3 of this chapter.

(c) An insurer may issue a policy described in this section in electronic or paper form. However, the insurer shall:

(1) inform the insured that the insured may request the policy in paper form; and

(2) issue the policy in paper form upon the request of the insured.

SECTION 2. IC 27-8-5-28, AS ADDED BY P.L.218-2007, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 28. (a) As used in this section, "child", with

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respect to a policyholder or certificate holder or the spouse of a policyholder or certificate holder, refers to the following, regardless of whether an individual specified in subdivisions (1) through (4) is dependent upon the policyholder or certificate holder:

(1) A biological child.

(2) A stepchild.

(3) An adopted child.

(4) An individual of whom the policyholder, certificate holder, or spouse had legal guardianship on the date the individual became eighteen (18) years of age.

(b) A policy of accident and sickness insurance may not be issued, delivered, amended, or renewed unless the policy provides for coverage of a child of the policyholder or certificate holder **or the policyholder's or certificate holder's spouse**, upon request of the policyholder or certificate holder, until the date that the child becomes twenty-four (24) years of age.

SECTION 3. IC 27-13-7-3, AS AMENDED BY P.L.218-2007, SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) As used in this section, "child", with respect to a subscriber or the spouse of a subscriber, refers to the following, regardless of whether an individual specified in subdivisions (1) through (4) is dependent upon the subscriber:

(1) A biological child.

(2) A stepchild.

(3) An adopted child.

(4) An individual of whom the subscriber or spouse had legal guardianship on the date the individual became eighteen (18) years of age.

(a) (b) A contract referred to in section 1 of this chapter must clearly state the following:

(1) The name and address of the health maintenance organization.

(2) Eligibility requirements.

(3) Benefits and services within the service area.

(4) Emergency care benefits and services.

(5) Any out-of-area benefits and services.

(6) Copayments, deductibles, and other out-of-pocket costs.

(7) Limitations and exclusions.

(8) Enrollee termination provisions.

(9) Any enrollee reinstatement provisions.

(10) Claims procedures.

(11) Enrollee grievance procedures.

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- 1 (12) Continuation of coverage provisions.
- 2 (13) Conversion provisions.
- 3 (14) Extension of benefit provisions.
- 4 (15) Coordination of benefit provisions.
- 5 (16) Any subrogation provisions.
- 6 (17) A description of the service area.
- 7 (18) The entire contract provisions.
- 8 (19) The term of the coverage provided by the contract.
- 9 (20) Any right of cancellation of the group or individual contract
- 10 holder.
- 11 (21) Right of renewal provisions.
- 12 (22) Provisions regarding reinstatement of a group or an
- 13 individual contract holder.
- 14 (23) Grace period provisions.
- 15 (24) A provision on conformity with state law.
- 16 (25) A provision or provisions that comply with the:
- 17 (A) guaranteed renewability; and
- 18 (B) group portability;
- 19 requirements of the federal Health Insurance Portability and
- 20 Accountability Act of 1996 (26 U.S.C. 9801(c)(1)).
- 21 (26) That the contract provides, upon request of the subscriber,
- 22 coverage for a child of the subscriber **or the subscriber's spouse**
- 23 until the date the child becomes twenty-four (24) years of age.
- 24 ~~(b)~~ (c) For purposes of subsection ~~(a)~~; (b), an evidence of coverage
- 25 which is filed with a contract may be considered part of the contract.
- 26 SECTION 4. [EFFECTIVE JULY 1, 2008] (a) **IC 27-8-5-2 and**
- 27 **IC 27-8-5-28, both as amended by this act, apply to a policy of**
- 28 **accident and sickness insurance that is issued, delivered, amended,**
- 29 **or renewed after June 30, 2008.**
- 30 (b) **IC 27-13-7-3, as amended by this act, applies to a health**
- 31 **maintenance organization contract that is entered into, delivered,**
- 32 **amended, or renewed after June 30, 2008.**

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